



**Council Audit and Finance Committee Meeting
Monday, November 19, 2012**

MINUTES

THE *AUSTIN CITY COUNCIL AUDIT AND FINANCE COMMITTEE* CONVENED ON MONDAY, NOVEMBER 19, 2012 AT 2:05 P.M. IN THE BOARDS AND COMMISSIONS ROOM, FIRST FLOOR, ROOM 1101, CITY HALL, 301 W. 2nd STREET.

The meeting was called to order at 2:05 p.m. by Chair Sheryl Cole. In attendance were Council Member Laura Morrison and Council Member Kathie Tovo. Council Member Spelman was absent.

Agenda Item #2: Approval of the October 30, 2012 minutes

The minutes of the October 30, 2012 meeting of the Audit & Finance Committee were approved on the motion from Council Member Morrison, seconded by Mayor Pro Tem Cole, with a 3-0 vote. Council Member Spelman was off the dais.

Agenda Item #3: Presentation and acceptance of the Construction Cost Management for Water Treatment Plant 4 Audit (Office of the City Auditor)

Walton Persons, Assistant City Auditor, presented the results of the audit, which was led by Henry Katumwa, Auditor-In-Charge over the project. Council Members had several questions for auditors.

Agenda Item #4: Presentation and possible action on the Austin Water Treatment Plant 4 Budget (Austin Water Utility)

Greg Meszaros, AWU Director, presented a Water Treatment Plant 4 (WTP4) budget adjustment request. Council asked multiple questions of Greg Meszaros and Howard Lazarus, Public Works Department Director, including the discussion of monthly reports related to WTP4 and a plan of action in case the Council does not approve the additional \$15 million requested by AWU. Council Member Spelman asked for a list of counter balance for removed items. No action was taken on this item. The budget for WTP4 will be discussed at the full Council meeting on December 4.

Agenda Item #1: Citizen Communication

Following citizens had spoken:

Bill Bunch, Director of the Save Our Springs Alliance, spoke about his concerns with WTP4 construction costs and the information presented by AWU.

Paul Robbins, environmental activist and consumer advocate, spoke about foreseeing additional costs for WTP4 and transparency of the decisions made by AWU.

Agenda Item #3: Presentation and acceptance of the Construction Cost Management for Water Treatment Plant 4 Audit (Office of the City Auditor)

The report that was presented earlier was accepted on Council Member Spelman's motion, which was seconded by Mayor Pro Tem Cole, with a 3-0 vote. Council Member Morrison was off the dais.

Agenda Item #5: Presentation on City of Austin Financial System Enhancements
(Financial Services Department)

Greg Canally, Deputy Chief Financial Officer, and Diana Thomas, Controller, made a presentation about the financial system enhancements. Council Members asked several questions about the presentation. No action was taken on this item.

Mayor Pro Tem Cole recognized Austin Corp students that attended the meeting.

Agenda Item #6: Discussion and possible action on revisions to the FY 13 Strategic Audit Plan (Office of the City Auditor)

Ken Mory, City Auditor, provided a list of projects that already have been started and that can be postponed for Council. He asked Council to provide input for the FY 13 Strategic Audit Plan revisions in order to complete the work related to redistricting and include parkland dedication audit in FY 13 plan. Mayor Pro Tem Cole requested the Auditor's office provides a memo to full Council on December 4 with options for revising this year's plan to accommodate the redistricting and parkland work.

Agenda Item #7: Presentation on Tax Increment Financing from Lone Star Rail District (LSRD)

Joe Black, Director of the Lone Star Rail District, presented the information about the potential Tax Increment Financing (TIF). Betty Dunkerly, supporter and former Mayor Pro Tem, spoke in support of the proposed TIF. Council directed LSRD to continue working with the City staff to move the proposal forward.

The meeting was adjourned at 4:27 p.m. by Mayor Pro Tem Cole without objection.